

Important Reminder

When you submit a QILDRO to TRS, make sure you have enclosed the following items:

- a check for the \$50 processing fee
- the original signed consent form (required if TRS membership started before July 1, 1999)
- a **certified** copy of the QILDRO

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Foreword

This publication provides the basic information that most people need to understand Qualified Illinois Domestic Relations Orders (QILDROs). The QILDRO law took effect on July 1, 1999, adding Section 1-119 to the Illinois Pension Code [40 ILCS 5/1-119] and amending portions of the Illinois Marriage and Dissolution of Marriage Act [750 ILCS 5/503].

TRS also has administrative rules concerning QILDROs. The rules are codified at 80 Illinois Administrative Code Sections 1650.1110 – 1650.1123, and are available from the TRS General Counsel's Office upon request. *For detailed information not covered in this text, please consult the Illinois Pension Code and the TRS administrative rules.*



Much of the information in this publication is based on the statutory language and requirements imposed by the Illinois Pension Code. This subject matter may be of considerable financial significance. It is strongly recommended that you obtain competent legal advice and other expert assistance. This information is provided with the understanding that TRS is not rendering legal, financial, or other professional advice.

TRS does not assume responsibility for the specific consequences resulting from application of the information in this publication to a particular person. If there is any conflict between this information and applicable law or administrative rules, the law and/or administrative rules prevail.

Time Line of Events

Observe the following time line of events when considering TRS benefits in divorce proceedings.

2-3 months before court date

Call the Forms Order Line at (800) 207-6948 and request the QILDRO publication. You may also access the QILDRO publication on our Web site at trs.illinois.gov or call us at (800) 877-7896 to request a copy.

4-6 weeks before the court date

Request a Benefit Information for Divorce statement. If you are a TRS member, the statement is sent to you upon request. Third parties (including attorneys) must provide your written authorization or a subpoena.

Approximately 3 to 4 weeks later

We send the Benefit Information for Divorce statement.

Prior to court date (optional)

Upon request, the TRS General Counsel's Office will review a draft QILDRO for compliance with form requirements only. We do not review the substance of the QILDRO or correctness of dollar amounts.

Court date

An Illinois court may, in its discretion, enter a QILDRO. Obtain a certified copy of the QILDRO from the clerk of court.

After court date

Send to the TRS General Counsel's Office:

- A **certified*** copy of QILDRO entered by court
- A \$50 processing fee (check payable to Teachers' Retirement System)
- If you became a TRS member before July 1, 1999, enclose the original form for Consent to Issuance of QILDRO form signed by you (or certified copy if original was filed with court)

Within 30 days after receipt

We send a notice to you, the alternate payee, and the attorney (if any) who sent the QILDRO. Notice will state one of the following and identify deficiencies, if any:

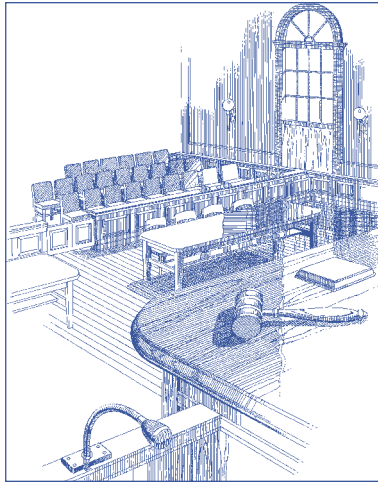
- QILDRO is valid
- Deficiencies must be corrected within a certain time period or QILDRO will be invalid.
- QILDRO is invalid

Receipt of payments

Active members: Alternate payee will not receive payment until the member begins receiving retirement benefits or receives a refund that is subject to the QILDRO.

Annuitants: Approximately three months will pass from the date the valid QILDRO was received until the alternate payee receives the first monthly payment.

*A certified copy bears the clerk of court's seal or stamp certifying a true and correct copy of the original court order. A file-stamped copy is not acceptable.



TRS Retirement Benefits and Divorce

Division of Benefits

In marital dissolution proceedings, a common issue is the division of retirement benefits. Under Illinois law, we may only pay benefits to your former spouse according to a Qualified Illinois Domestic Relations Order (QILDRO). A QILDRO is required even if the divorce decree or settlement awards TRS benefits to the ex-spouse.

Illinois public pension plans are not subject to the Employee Retirement Income Security Act of 1974 (ERISA). Significant differences exist between public pension plans and ERISA plans. We cannot give advice about how TRS retirement benefits should be divided in a divorce. You should consult your personal attorney and other professionals as necessary for advice.

The following information should be carefully reviewed and fully understood when a divorce involves a TRS retirement benefit.

What is a QILDRO?

“QILDRO” is a shorthand reference for Qualified Illinois Domestic Relations Order. A QILDRO is an Illinois **court order** directing an Illinois public retirement system such as TRS to pay a specified dollar amount from your monthly retirement benefit or refund to an alternate payee. An alternate payee is typically an ex-spouse, but may be your current spouse, child, or other dependent.

If you were a TRS member before July 1, 1999 (the effective date of the QILDRO legislation), a QILDRO will only be valid if you sign a Consent to Issuance of QILDRO form, and your signed consent form is sent to TRS along with the QILDRO. Your consent is not required if you became a TRS member on or after July 1, 1999.

An alternate payee’s eligibility to receive TRS benefits derives from your eligibility to receive benefits. Payment cannot be accelerated to pay the alternate payee before you are paid. An alternate payee will only receive payment if and when you receive payment. An alternate payee will never receive more or different benefits than you are eligible to receive.



Past divorces

If you are already divorced and your divorce entitles your ex-spouse to receive a share of your TRS benefits through a Qualified Domestic Relations Order (QDRO) or otherwise, it may be possible to request the court to issue a QILDRO. A QDRO is not the same as a QILDRO. TRS benefits are not subject to QDROs. Please seek advice from your personal attorney if you wish to obtain a QILDRO based on a past divorce.

Out-of-state divorces

QILDROs may only be issued by Illinois state courts. If you were divorced out-of-state, it may be possible to request an Illinois state court to issue a QILDRO based on your out-of-state divorce. Please seek advice from your personal attorney if you wish to obtain a QILDRO based on an out-of-state divorce.

Obtaining benefit information

To help the parties value the benefit for divorce purposes, we provide a customized Benefit Information for Divorce statement. The statement reflects your actual TRS service credit and contribution history, based on data on file with us at the time the statement is prepared. The statement includes a monthly annuity estimate as well as other information pertinent to valuing the benefit.



The statement provides information through June 30 of the last completed school year recorded on our database. Due to the annual reporting cycle for TRS-covered employers, we cannot provide information to a date other than June 30.

The statement will be provided to you in response to your request. Due to our confidentiality rule, the statement may only be provided to third parties (including attorneys) in response to a subpoena or with your written authorization. Contact the Member Services Department to request benefit information for divorce. **Please plan ahead and request the information at least three to four weeks before it is needed. We are unable to accommodate “rush” requests for imminent court dates.**

It is our policy to provide information for divorce purposes showing total career information on file with us at the time of the request, assuming the earliest age at which you could receive a nondiscounted annuity, i.e., age 60.

In preparing a benefit statement for divorce, we do not speculate as to potential future events such as early retirement, reciprocal retirement, additional service credit, future salary increases, purchase of optional or refunded service, or statutory changes. The information provided reflects the facts of your actual TRS service credit and contribution history, based on the data on file with us at the time the information is prepared.

We are not statutorily authorized to interpret the terms of the underlying divorce, to determine what portion of your annuity accrued during a particular marital period, or to verify whether you have correctly calculated the marital portion of your benefit. The dollar amounts payable to the alternate payee must be determined by the parties and approved by the court.



Benefits payable through a QILDRO

The QILDRO **must** state the exact dollar amount payable to the alternate payee. Percentages, formulas, or adding or omitting language from the required QILDRO form will make the QILDRO invalid.

Only three types of TRS benefits may be paid to an alternate payee. These are: (i) monthly retirement benefit; (ii) partial member's refund; and (iii) termination refund or lump-sum retirement benefit.

QILDRO paragraph 3(i): monthly retirement benefit

The QILDRO may designate a dollar amount payable to the alternate payee from a monthly retirement benefit. You must meet certain age and service requirements to be eligible to receive monthly retirement benefits.

As an annuitant, you receive a 3 percent annual increase in your gross retirement annuity on the later of January 1 following your first anniversary in retirement, or January 1 following the date you reach age 61. The QILDRO allows a choice whether or not the alternate payee will share in your post-retirement increases. The choice is designated by checking the appropriate box indicating whether the alternate payee will or will not receive a proportionate share of your post-retirement increases.

QILDRO paragraph 3(ii): partial member's refund

The QILDRO may designate a dollar amount payable to the alternate payee from a partial member's refund. The two types of partial member's refunds typically are: (i) a refund of survivor benefit contributions; and (ii) certain upgrade cost refunds payable to a member who has elected a 2.2 upgrade. The amount an alternate payee may possibly receive from all partial member's refunds will never exceed the dollar amount designated in paragraph 3(ii) of the QILDRO.



You may apply for a refund of survivor benefit contributions at retirement or at any time in retirement if you do not have any dependent beneficiaries. Upon accepting a survivor benefit refund, no TRS survivor benefits will be payable, unless survivor benefits are reinstated through repayment of the refund after returning to TRS-covered service for at least one year.

If you elected a 2.2 upgrade of pre-July 1998 service, you may be eligible upon your retirement to receive a refund of all or part of the 2.2 upgrade cost.

QILDRO paragraph 3(ii) applies to a **refund** of contributions already paid to TRS. Some TRS members will be eligible upon retirement to a reduction in their unpaid 2.2 upgrade cost rather than a refund. A reduction in your 2.2 upgrade cost does not entitle the alternate payee to a refund.



QILDRO paragraph 3(iii): termination refund or lump-sum retirement benefit

The QILDRO may designate a dollar amount payable to the alternate payee from a termination refund or lump-sum retirement benefit. You may apply for a refund of retirement contributions four months after the last day of TRS-covered employment. Upon accepting a termination refund, you forfeit all rights to TRS benefits, unless benefits are reinstated through repayment of the refund plus interest after returning to TRS-covered service for at least one year.

If you have fewer than five years of TRS service credit and have terminated TRS-covered employment (and have not taken a termination refund), you are eligible to receive a lump-sum retirement benefit at age 65.

Benefits not payable through a QILDRO
QILDROs do not apply to death benefits, disability benefits, or health insurance benefits.

Death benefits

No TRS death benefit is payable to an alternate payee through a QILDRO. Death benefits are paid according to the most recent beneficiary designation form on file with us at the time of death.

When you divorce, you may wish to update your beneficiary designation to ensure that death benefits will be paid to your intended beneficiaries.

To change the beneficiary designation, you must complete and file a new Member Information and Beneficiary Designation form with us. The form is available on the TRS Web site (trs.illinois.gov), by calling TRS at (800) 877-7896, or through the TRS Forms Order Line at (800) 207-6948.

Do not make erroneous assumptions about TRS survivor benefits. Here are some things to keep in mind when designating beneficiaries after a divorce:

- Your former spouse **will not** receive any death benefit from TRS unless specifically named in your beneficiary designation.
- Even if named as a beneficiary, a former spouse is never eligible to receive monthly survivor benefits because an ex-spouse is, by definition, a nondependent beneficiary.
- Only a lump-sum survivor benefit is payable to a nondependent beneficiary (e.g., an ex-spouse).
- If a nondependent beneficiary (e.g., an ex-spouse) is named along with one or more dependent beneficiaries (e.g., a current spouse or dependent child), none are eligible to receive monthly survivor benefits. The survivor benefit will be payable only as a lump sum divided equally among all named beneficiaries.

- You have a statutory right to name anyone as your beneficiary and to change the beneficiary designation at any time, even if your divorce requires you to designate the ex-spouse as beneficiary. Although TRS cannot compel or prevent you from naming any specific person as your beneficiary, your divorce may impose independent obligations on you. Please consult your personal attorney about this matter.

Disability benefits

No TRS disability benefit or disability retirement annuity is payable to an alternate payee. If you are receiving a disability benefit or disability retirement annuity and transfer to an age retirement annuity, a valid QILDRO on file with us will be implemented once you begin receiving age retirement annuity payments. You must meet certain eligibility requirements to receive a disability benefit or to transfer to an age retirement annuity.



Health insurance benefits

We do not provide health insurance benefits. The Teachers' Retirement Insurance Program (TRIP) is available to eligible TRS annuitants and beneficiaries through the Illinois Department of Central Management Services (CMS). A QILDRO does not make an alternate payee eligible to participate in TRIP.

Requirements

QILDROs must follow the required form. **No changes to the wording are permitted.** The QILDRO form required by us is not the same as the statutory form in the Illinois Pension Code. We suggest you use the two perforated copies of the TRS-required form contained in the back of this publication rather than retyping the form. Here are some important requirements:

- **State the exact dollar amount** payable to the alternate payee. **Using percentages or formulas will invalidate the QILDRO.** Enter \$0 if the alternate payee is not to receive any part of that particular benefit or refund. *Do not omit the language.*
- **Follow language *exactly*** as it appears in the QILDRO form. *Do not add or omit language.*
- **Leave the date line blank** in paragraph 3(i) *unless* you are already receiving monthly benefits *and* payment to the alternate payee is to be delayed to a future date. *The QILDRO is invalid if the date line is filled in but you have not retired.*
 - The QILDRO must **indicate whether the alternate payee will receive post-retirement increases.** Check one of the boxes to indicate whether or not the increases will apply to the alternate payee.
 - The QILDRO **must be issued by an Illinois court** of competent jurisdiction. Out-of-state courts cannot issue QILDROs.
- The QILDRO is a court order and **must be signed by a judge.** You or the alternate payee cannot sign the QILDRO.
- **Send TRS a *certified* copy** of the QILDRO entered by the court. A certified copy bears the clerk of court's seal or stamp certifying that the copy is a true and correct copy of the original order on file with the court. A file-stamped (*i.e.*, non-certified) copy is not acceptable.
- **Enclose a \$50 check**, for the nonrefundable processing fee, payable to the Teachers' Retirement System. A separate fee is required for each new or modified QILDRO.
- If you became a TRS member before July 1, 1999, **enclose the original Consent to Issuance of QILDRO form** signed by you. If the original was filed with the court, a certified copy is acceptable.



- **Follow language *exactly*** as it appears in the consent form. *Do not add or omit language.* We suggest you use the two perforated copies of the consent form contained in the back of this publication rather than retyping the form.
- **Your name and the alternate payee's name and Social Security numbers must be identified** in the consent form and must agree with those in the QILDRO.
- **The signature on the consent form must be yours.** A judge, sheriff, or other person cannot sign for you.
- **The Teachers' Retirement System of the State of Illinois must be listed as the retirement system.** The QILDRO is invalid if a different retirement system or your employer is named.

Where and what to send to TRS

After the court has issued the QILDRO, obtain a certified copy from the clerk of court and send it to:

Teachers' Retirement System
of the State of Illinois
General Counsel's Office
2815 West Washington
P.O. Box 19253
Springfield, Illinois 62794-9253

Remember to enclose the original consent form signed by you (or a certified copy if filed with the court), if you became a TRS member before July 1, 1999.

Also remember to enclose a \$50 check payable to the Teachers' Retirement System for the processing fee. **FAILING TO ENCLOSE THE FEE IS THE MOST COMMON MISTAKE.**

Notice from TRS

You, the alternate payee, and the attorney (if any) who sent the QILDRO will receive a notice within 30 days after the TRS General Counsel's Office received the QILDRO. The notice will state one of three things: (i) the QILDRO is valid; (ii) specified deficiencies must be corrected within a certain time period or the QILDRO will be invalid; or (iii) the QILDRO is invalid.



All deficiencies must be corrected before we may honor the QILDRO. In some cases, the deficiencies are easily corrected, for instance, by sending the \$50 fee or a certified copy of the QILDRO. If the QILDRO form is defective, it will be necessary to obtain a new or amended QILDRO from the court. We will send a new notice in response to each correction or amended QILDRO.

An invalid QILDRO has no effect on your benefits. **No QILDRO is valid until all deficiencies have been corrected.**

Effective date of QILDRO

If you are an active member, the QILDRO will not be implemented until you begin receiving retirement benefits or receive a refund that is subject to the QILDRO. When you apply to receive monthly benefits or a refund subject to the QILDRO, we will send notice to the alternate payee at the last address reported to us. *An alternate payee must keep us informed of any name or address changes in order to receive payment.* The law does not require us to search for a missing alternate payee, other than sending notice to the last address reported to us.

If you are an annuitant, the alternate payee will receive the first monthly payment **approximately three months after we receive a valid QILDRO.**



The QILDRO does not take effect until the next month occurring **at least** 30 days after we receive a valid QILDRO. To calculate when the alternate payee will begin receiving payments, start with the date TRS received a valid QILDRO (this date is in the notice we send), count forward 30 days,

and the QILDRO will take effect the next month. However the first payment will not be issued until one month later, because TRS annuity payments are disbursed on the first of each month for the prior month. Here are some examples:

Date valid QILDRO received by TRS	Count forward 30 days	Next occurring month	Payment issue date
June 1	July 1	August	September 1
June 10	July 10	August	September 1
June 30	July 30	August	September 1
August 1	August 31	September	October 1
August 2	September 1	October	November 1
August 31	September 30	October	November 1

Expiration of a QILDRO

A QILDRO ends when either you or the alternate payee dies. If the alternate payee dies, the amount that was payable to the alternate payee reverts back to you. A QILDRO also ends when you receive a refund that terminates participation in TRS. A QILDRO may also be terminated by a valid court order expressly terminating the QILDRO.

Required Forms

The QILDRO and consent forms required by TRS are on the next pages. The forms set forth in the QILDRO law are not acceptable. For ease of use, two perforated copies of each form are provided. We suggest you use the enclosed copies rather than retyping the forms.



IN THE CIRCUIT COURT _____
_____ COUNTY, ILLINOIS

)
) No. _____
)

QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER

THIS CAUSE coming before the court for the purpose of the entry of a Qualified Illinois Domestic Relations Order under the provisions of Section 1-119 of the Illinois Pension Code, the court having jurisdiction over the parties and the subject matter hereof; the court finding that one of the parties to this proceeding is a member of a retirement system subject to Section 1-119 of the Illinois Pension Code, this order is entered to implement a division of that party's interest in the retirement system; and the court being fully advised;

IT IS HEREBY ORDERED AS FOLLOWS:

- (1) The definitions and other provisions of Section 1-119 of the Illinois Pension Code are adopted by reference and made a part of this order.
- (2) Identification of retirement system and parties:

Retirement system: Teachers' Retirement System of the State of Illinois
(Name)
2815 West Washington, P.O. Box 19253, Springfield, Illinois 62794-9253
(Address)

Member: _____
(Name)

(Residence address)

(Social Security number)

Alternate payee: _____
(Name)

(Residence address)

(Social Security number)

The alternate payee is the member's
(CHECK ONE): ☐ current or former spouse ☐ child or other dependent

- (3) The retirement system shall pay the indicated amounts of the following specified benefits to the alternate payee under the following terms and conditions:
 - (i) Of the member's retirement benefit, \$ _____ per month, beginning _____
(if the benefit is already being paid, insert either "immediately" or a specified later date); otherwise, on the date the retirement benefit commences, and ending upon the termination of the retirement benefit or the death of the alternate payee, whichever occurs first. Of any increase in the member's retirement benefit due to post-retirement cost of living adjustments or automatic annual increases, the alternate payee
(CHECK ONE): ☐ will ☐ will not
receive an increase measured by the proportion that the above amount bears to the member's retirement benefit.
 - (ii) Of any partial member's refund that becomes payable, \$ _____ when any partial member's refund is paid.
 - (iii) Of any member's refund payable upon termination or lump-sum retirement benefit that becomes payable,
\$ _____ when any refund or lump-sum retirement benefit is paid.
- (4) So long as this QILDRO is in effect, the member may not elect a form of payment of the retirement benefit that has the effect of diminishing the amount of the payment to which the alternate payee is entitled, unless the alternate payee has consented to the election in writing and this consent has been filed with the retirement system.
- (5) If the member began participating in the retirement system before July 1, 1999, this order shall not take effect unless accompanied by the written consent of the member as required under subsection (m) of Section 1-119 of the Illinois Pension Code, in the form adopted by the retirement system.
- (6) The court retains jurisdiction to modify this order.

DATED: _____ ENTERED: _____
(Judge)

IN THE CIRCUIT COURT _____
_____ COUNTY, ILLINOIS

)
) No. _____
)

QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER

THIS CAUSE coming before the court for the purpose of the entry of a Qualified Illinois Domestic Relations Order under the provisions of Section 1-119 of the Illinois Pension Code, the court having jurisdiction over the parties and the subject matter hereof; the court finding that one of the parties to this proceeding is a member of a retirement system subject to Section 1-119 of the Illinois Pension Code, this order is entered to implement a division of that party's interest in the retirement system; and the court being fully advised;

IT IS HEREBY ORDERED AS FOLLOWS:

- (1) The definitions and other provisions of Section 1-119 of the Illinois Pension Code are adopted by reference and made a part of this order.
- (2) Identification of retirement system and parties:

Retirement system: Teachers' Retirement System of the State of Illinois
(Name)
2815 West Washington, P.O. Box 19253, Springfield, Illinois 62794-9253
(Address)

Member: _____
(Name)

(Residence address)

(Social Security number)

Alternate payee: _____
(Name)

(Residence address)

(Social Security number)

The alternate payee is the member's
(CHECK ONE): ☐ current or former spouse ☐ child or other dependent

- (3) The retirement system shall pay the indicated amounts of the following specified benefits to the alternate payee under the following terms and conditions:
 - (i) Of the member's retirement benefit, \$ _____ per month, beginning _____
(if the benefit is already being paid, insert either "immediately" or a specified later date); otherwise, on the date the retirement benefit commences, and ending upon the termination of the retirement benefit or the death of the alternate payee, whichever occurs first. Of any increase in the member's retirement benefit due to post-retirement cost of living adjustments or automatic annual increases, the alternate payee
(CHECK ONE): ☐ will ☐ will not
receive an increase measured by the proportion that the above amount bears to the member's retirement benefit.
 - (ii) Of any partial member's refund that becomes payable, \$ _____ when any partial member's refund is paid.
 - (iii) Of any member's refund payable upon termination or lump-sum retirement benefit that becomes payable, \$ _____ when any refund or lump-sum retirement benefit is paid.
- (4) So long as this QILDRO is in effect, the member may not elect a form of payment of the retirement benefit that has the effect of diminishing the amount of the payment to which the alternate payee is entitled, unless the alternate payee has consented to the election in writing and this consent has been filed with the retirement system.
- (5) If the member began participating in the retirement system before July 1, 1999, this order shall not take effect unless accompanied by the written consent of the member as required under subsection (m) of Section 1-119 of the Illinois Pension Code, in the form adopted by the retirement system.
- (6) The court retains jurisdiction to modify this order.

DATED: _____ ENTERED: _____
(Judge)

IN THE CIRCUIT COURT _____

_____ COUNTY, ILLINOIS

)

)

No. _____

)

CONSENT TO ISSUANCE OF QILDRO

Member's name: _____

Member's Social Security number: _____

Alternate payee's name: _____

Alternate payee's Social Security number: _____

I, _____, a member of the
(Name of member)

Teachers' Retirement System of the State of Illinois, hereby irrevocably consent
(Name of retirement system)

to the issuance of a Qualified Illinois Domestic Relations Order. I understand

that under the Order, certain benefits that would otherwise be payable to me will

instead be payable to _____. I also
(Name of alternate payee)

understand that my right to elect certain forms of payment of my retirement

benefit or member's refund may be limited as a result of the Order.

DATED: _____ SIGNED: _____

IN THE CIRCUIT COURT _____

_____ COUNTY, ILLINOIS

)

)

No. _____

)

CONSENT TO ISSUANCE OF QILDRO

Member's name: _____

Member's Social Security number: _____

Alternate payee's name: _____

Alternate payee's Social Security number: _____

I, _____, a member of the
(Name of member)

Teachers' Retirement System of the State of Illinois, hereby irrevocably consent
(Name of retirement system)

to the issuance of a Qualified Illinois Domestic Relations Order. I understand

that under the Order, certain benefits that would otherwise be payable to me will

instead be payable to _____. I also
(Name of alternate payee)

understand that my right to elect certain forms of payment of my retirement

benefit or member's refund may be limited as a result of the Order.

DATED: _____ SIGNED: _____